

***Frequently Asked Questions***

# **Representative Payee Financial Transaction Reviews**

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## **Common Acronyms:**

- BDDS: Bureau of Developmental Disabilities Services
- BQIS: Bureau of Quality Improvement Services
- DDRS: Division of Disability and Rehabilitative Services
- ICLB: Individual Community Living Budget
- ISP: Individualized Support Plan
- RLA: Residential Living Allowance
- SSA: Social Security Administration
- SSI: Social Security Income
- T&R: Thomas and Reed, LLC.

## **POLICY FOR MANAGEMENT OF INDIVIDUAL'S FINANCIAL RESOURCES**

The questions answered in this document are intended to clarify processes surrounding the BQIS Representative Payee Financial Transaction Reviews following recent presentations by Thomas & Reed, LLC.

The State of Indiana's policies for managing the finances of an individual who is receiving Supported Living services and supports are in Title 460 of the Indiana Administrative Code, Article 6-9-4 and 6-24-3. You will find Article 6, Support Living Services and Support, (460 IAC 6) located in entirety online at <http://www.in.gov/legislative/iac/T04600/A00060.PDF>.

### **460 IAC 6-9-4 Systems for protecting individuals**

Authority: IC 12-8-8-4; IC 12-9-2-3; IC 12-11-1.1-9; IC 12-11-2.1-12

Affected: IC 12-11-1.1; IC 12-11-2.1

Sec. 4.

- (a) Except as specified in this section, this section applies to all providers of supported living services and supports.
- (b) A provider shall require that at regular intervals, as specified by the individual's ISP, the individual be informed of the following:
  - (1) The individual's medical condition.
  - (2) The individual's developmental and behavioral status.
  - (3) The risks of treatment.
  - (4) The individual's right to refuse treatment.
- (c) Except for providers of:
  - (1) occupational therapy services;
  - (2) physical therapy services;
  - (3) music therapy services; and
  - (4) speech-language therapy services;a provider shall establish a protocol for ensuring that an individual is free from unnecessary medications and physical restraints.
- (d) Except for providers of:
  - (1) occupational therapy services;
  - (2) physical therapy services;
  - (3) music therapy services; and
  - (4) speech-language therapy services;

a provider shall establish a system to reduce an individual's dependence on medications and physical restraints.

(e) A provider shall establish a system to ensure that an individual has the opportunity for personal privacy.

(f) A provider shall establish a system to:

(1) ensure that an individual is not compelled to perform services for a provider; and

(2) provide that, if an individual works voluntarily for a provider, the individual is compensated:

(A) at the prevailing wage for the job; and

(B) commensurate with the individual's abilities;

unless the provisions of section 3(c)(5) of this rule are met.

(g) A provider shall establish a system that ensures that an individual has:

(1) the opportunity to communicate, associate, and meet privately with persons of the individual's choosing;

(2) the means to send and receive unopened mail; and

(3) access to a telephone with privacy for incoming and outgoing local and long distance calls at the individual's expense.

(h) A provider shall establish a system for providing an individual with the opportunity to participate in social, religious, and community activities.

(i) A provider shall establish a system that ensures that an individual has the right to retain and use appropriate personal possessions and clothing.

(j) A provider shall establish a system for protecting an individual's funds and property from misuse or misappropriation.

(k) A provider shall establish a protocol specifying the responsibilities of the provider for:

(1) conducting an investigation; or

(2) participating in an investigation;

of an alleged violation of an individual's rights or a reportable incident. The system shall include taking all immediate necessary steps to protect an individual who has been the victim of abuse, neglect, exploitation, or mistreatment from further abuse, neglect, exploitation, or mistreatment.

(l) A provider shall establish a system providing for:

(1) administrative action against;

(2) disciplinary action against; and SUPPORTED LIVING SERVICES AND SUPPORTS

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- (3) dismissal of; an employee or agent of the provider, if the employee or agent is involved in the abuse, neglect, exploitation, or mistreatment of an individual or a violation of an individual's rights.
- (m) A provider shall establish a written procedure for employees or agents of the provider to report violations of the provider's policies and procedures to the provider.
- (n) A provider shall establish a written procedure for the provider or for an employee or agent of the provider for informing:
  - (1) adult protective services or child protection services, as applicable;
  - (2) an individual's legal representative, if applicable;
  - (3) any person designated by the individual; and
  - (4) the provider of case management services to the individual;of a situation involving the abuse, neglect, exploitation, mistreatment of an individual, or the violation of an individual's rights.
- (o) A provider shall establish a written protocol for reporting reportable incidents to the BDDS as required by section 5 of this rule.

*(Division of Disability and Rehabilitative Services; 460 IAC 6-9-4; filed Nov 4, 2002, 12:04 p.m.: 26 IR 766; readopted filed Sep 26, 2008, 11:11 a.m.: 20081015-IR-460080618RFA)*

#### **460 IAC 6-24-3 Management of individual's financial resources**

Authority: IC 12-8-8-4; IC 12-9-2-3; IC 12-11-1.1-9; IC 12-11-2.1-12

Affected: IC 12-11-1.1; IC 12-11-2.1

Sec. 3.

- (a) This section applies to:
  - (1) an individual's residential living allowance management services provider; or
  - (2) the provider identified in an individual's individualized support plan as being responsible for an individual's property or financial resources.
- (b) The provider shall assist an individual to:
  - (1) obtain, possess, and maintain financial assets, property, and economic resources; and
  - (2) obtain insurance at the individual's expense to protect the individual's assets and property.
- (c) If the provider is responsible for management of an individual's funds, the provider shall do the following:
  - (1) Maintain separate accounts for each individual.
  - (2) Provide monthly account balances and records of transactions to the individual and, if applicable, the individual's legal representative.

- (3) Inform the individual or the individual's legal representative, if applicable, that the payee is required by law to spend the individual's funds only for the needs of the individual.

*(Division of Disability and Rehabilitative Services; 460 IAC 6-24-3; filed Nov 4, 2002, 12:04 p.m.; 26 IR 779; readopted filed Sep 26, 2008, 11:11 a.m.: 20081015-IR-460080618RFA)*

## QUESTIONS AND ANSWERS

### AN INDIVIDUAL'S OWN MONEY

1. **Question:** *Are the consumers allowed to use their own money to gamble? For example, spending money on lottery tickets or at slot machines at a casino? What happens if they win a large sum of money?*

**Answer:** Individuals are not permitted to utilize Waiver, RLA or State Line Funding for gambling. Individuals may utilize personal discretionary spending money any way they wish. If an individual does choose to gamble, and does win a large sum of money, we recommend you contact your BDDS service coordinator to discuss how your finances might be affected.

Programs for people with disabilities are often intended for those who have little income and few assets. Because of this, income and assets can affect whether individuals are eligible. For example, how much in SSI payment they are due. Income is what people receive in a month and assets are cash and items that a person owns that can be converted to cash. Income an eligible individual receives is counted for SSI purposes in the month it is received. If still relevant, it counts as an asset as of the following month. For example, someone winning the lottery would have income the month payoff is received. If the individual hadn't spent the money by the next month, the lottery money would then be considered an asset.

2. **Question:** *During a recent BQIS presentation, T&R mentioned that any receipt for cable television would be a red flag to the auditor during a financial audit of client finances. However, what if the individual pays for cable with personal funds or with money earned from working? Also, does a cable receipt raise an audit flag when the consumer has a hearing impairment and needs cable to access the TDD system?*

**Answer:** Cable is not considered a basic living expense. Individuals may choose to use their personal money, such as money earned working, to pay for cable. However, individuals may not request money through an RLA to pay for expenses that include cable. An exception to this policy is when there is an addendum to the RLA that allows cable. To avoid a red flag during an audit, a plan for paying any cable expenses should be clearly documented in the ISP.

3. **Question:** *Are fees for Internet services considered allowable expenses?*

**Answer:** Internet service is not considered a basic living expense; individuals may not request money through an RLA to pay for expenses that include Internet service. If the use of the Internet is required as an educational tool, the team should meet to discuss alternative methods of funding or meeting the individual's educational needs. This may include accessing the Internet in a different environment than the residence, such as a public library where the service is free or by using the individual's Earned Income Incentive to purchase Internet services. To avoid a red flag during an audit, a plan for paying any Internet expenses should be clearly documented in the ISP.

### **BURIAL TRUSTS**

4. **Question:** *Many consumers purchased burial trusts prior to the July 1, 2007 date of the printed ICLB Guidelines. We were told that these folks would not be penalized for the burial trusts through the grandfathering process. If they quit paying they will lose their trust.*

**Answer:** In the case of any grandfathering situation approved by DDRS, our system will have a record on file of the exemption. If there is no record of the exemption in our system, you may be required to provide documentation so that we may update our system. If there is no documentation to substantiate the purchase of a burial trust purchased prior to July 1, 2007, the request for exemption cannot be approved under the current policy.

### **ISP: DOCUMENTATION FOR AN INDIVIDUAL**

5. **Question:** *The auditors stated that they would add receipts against pay outs and the difference would subject the provider to a penalty. Regarding the \$80 spending money allowed by the ICLB for discretionary spending, they also stated that they do not want hand written cash vouchers. What is the best way for providers to account for the difference?*

**Answer:**

- a) The Personal Necessities expense line of the RLA is not an automatic \$80 spending money, nor is it to be considered to be discretionary funds for the individual. The Guidelines state that the RLA expense category of Personal Necessities is to include the expenses of, "miscellaneous personal items that an individual may require on an occasional basis, such as underwear, socks, haircuts, shampoo, soap, toothpaste, deodorant, nail clippers, toilet paper, dish detergent, paper towels, glass cleaner, toilet bowl cleaner, non-prescriptive vitamins, food supplements,

laundry expenses [...] Non-prescribed medications and equipment, preventative aid supplies [...] first aid kits, band-aids, laxatives, antacids, and cold medicine.”

**b)** The best way to document and manage discretionary spending is for the provider to consistently document the following:

- That the provider gave the money to the individual
- That the individual acknowledges receipt of the money
- That the process is included as a part of the individual’s ISP

**6. Question:** *The auditors state that they would check grocery receipts for duplicate items as a check to ensure items were purchased for the consumer and not for staff. Consumers typically purchase equal amounts groceries and prepare meals together so they can eat family-style. Regular shopping often includes multiples of many items such as bread, milk, eggs, especially when items are found on sale. How can the auditors possibly know the routines of the house?*

**Answer:** During an audit, T&R will look for suspicious activity that falls outside of the regular routine of the house. For example, the staff picks up items for themselves when out shopping with the individual. In this case, some items show up on the receipt but never at the home. Another example might include the purchase of unexplained quantities of items beyond what can typically be used in a reasonable time period by the individuals living in the household. Family style dining is a choice among the individuals, accountability will need to occur for the budgets per guidelines.

**7. Question:** *What types of receipts are required for laundry expenses? The auditors stated that they do not want handwritten cash vouchers. What is an acceptable receipt?*

**Answer:** Assuming this question refers to laundry expenses such as from a coin operated Laundromat; a reasonable amount of money may be set aside in an individual’s monthly budget, with accompanying documentation to show this is a regular expense. If this expense is to be paid out of petty cash, a system should be established to account for all monies that go in or out of the fund. The process should also be documented in the ISP.

## **OTHER COSTS**

**8. Question:** *Who is responsible for expenses incurred when an individual is moving to a new residence?*



**Answer:** When planning a move, an individual and the support team must plan ahead to coordinate resources such as time and money. Expenses incurred for an individual to move to a new residence is the responsibility of the individual. The agent identified in an individual's ISP as responsible for the finances of the individual has the final approval that everything is in place and ready. This includes insuring money is available for the move and all expenses will be paid in a timely manner.

All moves must be pre-approved by DDRS, which maintains "Placement Authority" for every individual receiving waiver services. In addition, any required RLA budgets must be in place prior to the move. The RLA is a reimbursement process conducted between the State and a BDDS Provider; the funds made available to the individual prior to the reimbursement from the State are not considered a loan to an individual. The agent identified in an individual's ISP as responsible for the finances of the individual is expected to make all payments on-time and as needed.

9. **Question:** What is the process for addressing court fees and fines issued to an individual in waiver services?

**Answer:** At all times, the Court should be approached for the possibility of waiving the fee or fine due to the individual not having the money for it. If this is unsuccessful, and the individual is indigent and unable to pay the fine or fee without adding the expense to the RLA budget, the provider should meet with the individual's Support Team and discuss alternative methods of funding the need. Ultimately the court fees and/or fines are the responsibility of the individual; individuals may not request money through an RLA to pay for expenses that include court fees and fines.

10. **Question:** *How [are guardianship fees] to be addressed by the state and the provider?*

**Answer:** This issue is currently being reviewed by state entities. At all times, the Court should be approached for the possibility of waiving the fee due to the individual not having the money for it. If this is unsuccessful, and the individual is indigent and unable to pay the fine or fee without adding the expense to the RLA budget, the provider should meet with the individual's Support Team and discuss alternative methods of funding the need. Currently, individuals may not request money through an RLA to pay for expenses that include guardianship fees.

11. **Question:** *If the state makes the move to make all settings 3 person homes, who is to pay for the many fees and charges associated with breaking leases so the 3 person*

*homes can be created? Not to mention, this does not look good on the rental record of the consumers for future placement.*

**Answer:** When planning a move, an individual and the support team must plan ahead to coordinate resources such as time and money. Expenses incurred for an individual to move to a new residence are the responsibility of the individual. The agent identified in an individual's ISP as responsible for the finances of the individual has the final approval that everything is in place and ready. This includes insuring money is available for the move and all expenses will be paid in a timely manner.

All moves must be pre-approved by DDRS, which maintains "Placement Authority" for every individual receiving waiver services. In addition, any required RLA budgets must be in place prior to the move. The RLA is a reimbursement process conducted between the State and a BDDS Provider; the funds made available to the individual prior to the reimbursement from the State are not considered a loan to an individual. The agent identified in an individual's ISP as responsible for the finances of the individual is expected to make all payments on-time and as needed.

#### **OUTCOME OF A FINANCIAL REVIEW**

12. **Question:** *What is the result of not following the findings recommendations?*

**Answer:** Failure to comply with the corrective action plan process will result in the report being sent to the BQIS Director for further actions. If a payback is involved the report would also be sent to the state auditor's office and/or the social security administration.

13. **Question:** *Per the 4/23/09 Bulletin we were instructed to submit RLA payback amounts to the FSSA Audit Dept. The check was returned to us stating that they did not know what to do with it. Where should the payment be sent?*

**Answer:** This issue has been corrected. The FSSA Auditor's office is now accepting checks and are able to match the payback to the financial review. Checks should be sent to:

Roger Booth  
Auditor, State of Indiana  
402 W. Washington St.  
Indianapolis, IN 46204

14. **Question:** *What are the timelines to get a Final Report?*

**Answer:** 14 business days after CAP Verification

15. **Question:** *Another concern is that if an audit is completed and it is determined that there were not 100% of the receipts available, what would the plan of correction be? I*

*would assume the provider would have a period of time to find the receipts. If the receipts were not found, would the provider be penalized to reach 100%?*

**Answer:** The agent identified in an individual's ISP as responsible for the finances of the individual may contact Thomas and Reed, LLC to request an extension to find and collect receipts and establish compliance. The agent identified in an individual's ISP as responsible for the finances of the individual would be responsible for expenses that are not supported.

16. **Question:** *As part of the audit, the auditors requested a copy of all cancelled checks from the bank. The bank charges a substantial fee for this service. The banks are quite resistant to gathering this information. Is the provider responsible for this immense cost?*

**Answer:** The agent identified in an individual's ISP as responsible for the finances of the individual is responsible for the costs incurred to obtain copies of cancelled checks. To avoid this situation the agent identified in an individual's ISP as responsible for the finances of the individual should establish checking accounts that provide the cancelled checks at no cost to the individual. The front and back of a cancelled check is the highest form of documentation of a transaction that has taken place and is essential during a financial review.

### **PERSONAL NECESSITIES**

17. **Question:** *Some individuals have incontinence issues or they have wheelchairs which track in dirt from outside and this requires them to have their carpets cleaned...is this considered non-permissible?*

**Answer:** Carpet cleaning should be considered a part of the personal necessity expense line. The individual's Support Team would determine how to provide this within the individual's budget. It would not be considered a justification for exceeding Guideline amounts on a budget. This circumstance should also be documented in the ISP, including plans for mitigating future occurrences.

### **REPRESENTATIVE PAYE RESPONSIBILITIES**

18. **Question:** *How can the provider be totally responsible for the finances of a client when the client does not have 24/7 support?*

**Answer:** Per IAC 460, a Representative Payee is responsible for managing all aspects of an individual's money; responsibility does not cease during the time the individual

may not be receiving supports from the provider. A Representative Payee may allow an individual to have discretionary funds to spend. These funds can be established in the ISP and used as a goal for teaching money management.

19. **Question:** *What responsibility does the provider have for actions with financial ramifications taken by the client during non-staffed hours (e.g., cell phone agreements, pay per view movies, orders placed when called by a telemarketer, chat line charges, etc...)?*

**Answer:** Per IAC 460 the agent identified in an individual's ISP as responsible for the finances of the individual is responsible for managing all aspects of an individual's money; responsibility does not cease during the time the individual may not be receiving supports from the provider. The agent identified in an individual's ISP as responsible for the finances of the individual should meet with the individual's team to establish supports for the individual to help prevent these issues. Unusual spending habits may also be documented in the ISP. Ultimately, the agent identified in an individual's ISP as responsible for the finances of the individual would be held responsible for these expenses if the supports and documentation are not in place.

20. **Question:** *How does the provider obtain receipts from consumers, especially higher level functioning ones, who request their discretionary monthly expense money? Consumers use this money for discretionary items and feel that they should not have to provide a receipt for these expenses. Consumers want to know why and who (which State agency) requires this and by what statute?*

**Answer:** 460 IAC 6-30-1 (2)— A provider of residential living allowance and management services shall maintain the following documentation: (2) Receipts for all expenditures made from the individual's financial resources and food stamps, including receipts for rent, utilities, groceries, clothing, household goods, and other expenditures. If the provider is also a Representative Payee, the Social Security Administration also requires documentation for all expenditures.

The agent identified in an individual's ISP as responsible for the finances of the individual may allow an individual to have discretionary funds to spend. These funds can be established in the ISP and used as a goal for teaching money management. The agent identified in an individual's ISP as responsible for the finances of the individual must establish a system to document the disbursement of these funds. If the discretionary funds are documented properly then receipts from the individual would not be required.

21. **Question:** *We are rep payee for folks who often time sign up for items outside of their budget i.e. cell phones, added cable services etc. These are discovered after the fact*

*when the consumer hands over a bill that they do not have funds to pay. We are not the legal guardian, just the payee. Who is responsible for payment?*

**Answer:** Per IAC 460, the agent identified in an individual's ISP as responsible for the finances of the individual is responsible for managing all aspects of an individual's money; responsibility does not cease during the time the individual may not be receiving supports from the provider. The agent identified in an individual's ISP as responsible for the finances of the individual should meet with the individual's team to establish supports for the individual to help prevent these issues. Unusual spending habits may also be documented in the ISP. Ultimately, the agent identified in an individual's ISP as responsible for the finances of the individual would be held responsible for these expenses if the supports and documentation are not in place.

22. **Question:** *Many of the folks we work with are non-24hr independent folks who receive their bills at home and refuse to turn them in for payment. Many times, we do not receive the bill until after the due date. Whose responsibility is the late fee?*

**Answer:** Per IAC 460, the agent identified in an individual's ISP as responsible for the finances of the individual is responsible for managing all aspects of an individual's money; responsibility does not cease during the time the individual may not be receiving supports from the provider. The agent identified in an individual's ISP as responsible for the finances of the individual would be held responsible for these expenses. One alternative would be to have the bills sent directly to the agent identified in an individual's ISP as responsible for the finances of the individual.

23. **Question:** *Who bears the cost of damages caused to an apartment or home by the consumer particularly when the consumer does not have 24/7 services?*

**Answer:** The individual who causes the damage bears the cost of damages and repairs unless the damage was due to negligence of provider staff, in which case the provider is responsible. Ongoing communication and sensitivity to the individual by the support staff could help prevent the damages from occurring. Per the Guidelines,

‘A budget may include a request for repairs in the home or residence due to behavioral aggression when there is sufficient documentation of the appropriate implementation of a behavioral intervention plan and supervision of the individual.’

‘Documentation must include Incident Reports and Behavior Management records, as well as a description of why the individual's Personal Discretionary Funds or Personal Necessities funds cannot be used.’

*(Guidelines for Expenses and Costs through BDDS State Line Item Funds; page 30)*

24. **Question:** *On the topic of cell phones, can a cell phone be used in place of a household land line? What about when a consumer has signed up for a cell phone without the provider's permission and there are major fees to break the contract? Can these expenses be included?*

**Answer:** An individual may choose to use a cell phone as their primary phone; however, at this time, RLA monies will reimburse a landline phone in the residence only. If the individual chooses this option he/she along with the agent identified in an individual's ISP as responsible for the finances of the individual would work together to insure that the individual knows what is involved, that no unnecessary fees are attached, and how the expense will be funded.

Per IAC 460, the agent identified in an individual's ISP as responsible for the finances of the individual is responsible for managing all aspects of an individual's money; responsibility does not cease during the time the individual may not be receiving supports from the provider. If an individual signs up for a cell phone without their knowledge, the agent identified in an individual's ISP as responsible for the finances of the individual would be held responsible for these expenses.

25. **Question:** *Phone bills can also be a concern because even though the provider has set up only basic services, the consumers are very clever and find ways to put additional charges and services on their bill. Companies such as the adult telephone industry have many ways to go around blocks on phones. The provider calls these companies to explain the situation but many times they will not remove the charges. The waiver program requires that the consumers have a phone so the provider is forced to pay these charges. Will these types of charges be a problem for the auditors?*

**Answer:** Per IAC 460, the agent identified in an individual's ISP as responsible for the finances of the individual is responsible for managing all aspects of an individual's money; responsibility does not cease during the time the individual may not be receiving supports from the provider. The agent identified in an individual's ISP as responsible for the finances of the individual should meet with the individual's team to establish supports for the individual to help prevent these issues. Unusual spending habits may also be documented in the ISP. Ultimately, the agent identified in an individual's ISP as responsible for the finances of the individual would be held responsible for these expenses if the supports and documentation are not in place.

26. **Question:** *What about when a consumer has signed up for a cell phone without the provider's permission and there are major fees to break the contract? Can these expenses be included?*

**Answer:** Per IAC 460, the agent identified in an individual's ISP as responsible for the finances of the individual is responsible for managing all aspects of an individual's money; responsibility does not cease during the time the individual may not be receiving supports from the provider. If an individual signs up for a cell phone without their knowledge, the agent identified in an individual's ISP as responsible for the finances of the individual would be held responsible for these expenses.

27. **Question:** *What about when a client is pursued by a collection agency for old bills (incurred while under the care of another provider) for medical expenses or utilities? Will it be acceptable for the current provider to make payment arrangements to pay off the old debt? If the provider does not pay, the consumer may not be able to get utilities turned on or may not be to receives services from that physician.*

**Answer:**

- a) The RLA provider is expected to make all payments on-time and as needed. Should it be discovered that an individual incur debt while under the supervision of another RLA provider, the information should be brought to the attention of the BDDS immediately.
- b) As the agent identified in an individual's ISP as responsible for the finances of the individual, any arrangements that could be made to pay off the debt would be acceptable. Individuals may not request money through an RLA to pay for expenses that include debt. To avoid a red flag during an audit, a plan for paying any debt expenses should be clearly documented in the ISP.

### **RESIDENTIAL LIVING ALLOWANCE (RLA)**

28. **Question:** *There seems to be a difference between RLA guidelines for spending money and Thomas & Reed, LLC advice for spending money. Our belief is that the published RLA guidelines take precedence. What is the State's position?*

**Answer:** Published RLA guidelines would take precedence. However, as a part of their conclusion Thomas and Reed, LLC often make recommendations regarding issues involving an individual's finances.

29. **Question:** *Cable - most individuals who receive RLAs and have cable only have basic cable because they do not have any reception otherwise. How are you going to address this? Why cannot consumers have basic cable television in their home?*

**Answer:** Cable is not considered a basic living expense. Individuals may choose to use their personal money, such as money earned working, to pay for cable. However, individuals may not request money through an RLA to pay for expenses that include cable. An exception to this policy is when there is an addendum to the RLA that allows

cable. To avoid a red flag during an audit, a plan for paying any cable expenses should be clearly documented in the ISP.

30. **Question:** *When a consumer carries a debit card, what receipts are required when he/she receives an RLA but the provider is not the Representative Payee?*

**Answer:** The provider is responsible for funds received for the individual under the Residential Living Allowance. Therefore, they are also responsible for obtaining receipts to account for that fund.

31. **Question:** *Will we receive better clarification regarding what a consumer can and cannot purchase if they receive an RLA?*

**Answer:** If the Guidelines do not cover the situation, please contact BDDS for assistance in determining whether or not an expense can be reimbursed through RLA funds.

32. **Question:** *If the individual is not including this on the budget when completing an ICLB or when figuring an RLA how can you say that they cannot have a particular item?*

**Answer:** Expenses not included as a line-item expense on an RLA budget are not considered by the Business Operations Staff review team unless they are mentioned in the budget as justification for another issue. For example, reducing an individual's reported Social Security Income amount on the budget to pay for cable would *not* be allowed. Use of the individual's Earned Income Incentive for cable *would* be allowable.

33. **Question:** *Appliances - many individuals have washer and dryers in their homes. This is needed because of continence issues and linens needing to be washed daily. Also, a lot of rental homes come without refrigerators and stoves and individuals must supply these things if they rent the property. What is the state's position on this?*

**Answer:** "The purchase and/or maintenance of major appliances with RLA funds are not permitted. Housing must include a refrigerator, stove, furnace/heating units and other major appliances. Housing costs may include air conditioner and/or washer/dryer, snow removal and lawn mowing, if they are included in the rental agreement.'" (*Guidelines for Expenses and Costs through BDDS State Line Item Funds; p22*)"

34. **Question:** *As it relates to RLA funds, on the topic of cell phones, can a cell phone be used in place of a household land line?*

**Answer:** At this time, the DRS will reimburse a landline phone in the residence only.



35. **Question:** *Why is it ok for an individual to spend \$10-\$20 a week at a Laundromat but it is not ok for them to pay a one-time fee of purchasing a washer and dryer?*

**Answer:** State Line Item funding does not purchase appliances for individuals. It is the responsibility of the individual's Support Team to ensure that the living environment best meets the needs and wants of the individual within the funding available. If an individual requires a washer and dryer to be on-site, it is the responsibility of the Team to ensure that having the washer and dryer within the environment is a requirement of the housing and included in the costs, per the Guidelines.

36. **Question:** *Are clients responsible for lawn mowing and snow removal expenses in Waiver homes if the landlord doesn't provide them in the rent?*

**Answer:** Yes. State Line Item funding does not purchase lawn care. It is the responsibility of the individual's Support Team to ensure that the living environment best meets the needs and wants of the individual within the funding available. Per the BDDS Guidelines:

- 'State Line funds cannot be used to purchase lawn care services.'
- 'Lawn care should be part of the lease/rental agreement negotiated with the landlord.'
- 'The responsibilities of the individual's residence should be matched with his/her needs and capabilities.'

*(Guidelines For Expenses And Costs Through BDDS State Line Item Funds; page 27)*

37. **Question:** *If BDDS approves an individual to live in a home rather than an apartment, do we need to get something in writing from BDDS that lawn care service can be included in the RLA?*

**Answer:** State Line Item funding does not purchase lawn care. It is the responsibility of the individual's Support Team to ensure that the living environment best meets the needs and wants of the individual within the funding available. Per the BDDS Guidelines:

- 'State Line funds cannot be used to purchase lawn care services. '
- 'Lawn care should be part of the lease/rental agreement negotiated with the landlord.' The responsibilities of the individual's residence should be matched with his/her needs and capabilities.'

*(Guidelines For Expenses And Costs Through BDDS State Line Item Funds; p27)*

38. **Question:** *Is the state considering raising the co-pay allowable amount to prevent so many RLAs from being submitted every 3 months?*

**Answer:** Medical Not-insured pays for items prescribed or services provided by a medical professional with whom the individual has a doctor-patient relationship, such as a primary care physician doctor or nurse practitioner. The amount should not exceed \$20.00 a month. If the request exceeds the guidelines, the provider must provide justification and the budget cannot exceed a three-month duration. *The 3 month budget is for anything above the guidelines.*

39. **Question:** *If a consumer's actions have caused him/her to be evicted from their place of residence due to behavioral or other concerns, will the expenses for obtaining another place of residency be allowed (i.e. utility deposits, application fees, and first month's rent in advance)?*

**Answer:** The RLA process does not change due to circumstances of the move. All moves must be pre-approved by the BDDS (which maintains "Placement Authority") and any required RLA budgets must be in place prior to the move. The RLA provider is expected to make all payments on-time and as needed.

#### **SHARED EXPENSES WITH HOUSE MATES**

40. **Question:** *Some consumers share food with house mates... Can house mates share in the cost of the food purchases?*

**Answer:** The RLA is an individual budget and must therefore be accounted for per the guidelines.

#### **SOCIAL SECURITY**

41. **Question:** *Our understanding of the Social Security Representative Payee role is to oversee the expenditure of Social Security funds on necessities. Why is that interpreted differently (and expanded to include all client funds) by an agent of the State?*

**Answer:** 460 IAC 6-24-3 indicates that the Representative Payee appointed by the Social Security Administration, as the agent identified as responsible for the finances of the individual, is obligated to follow Indiana Administrative Code.

BQIS has met with an SSA area representative and SSA is in support of the state's initiative to audit an individual's funds within guidelines outlined in the bulletin released in April of 2009. Representative Payees are responsible for the oversight of all expenditures not just "necessities".

42. **Question:** *Do you have the authorization from the Social Security Administration to be conducting audits on SSA funds when the consumer does not receive state-line item/RLA? A local division of the Social Security Administration has stated that no one may audit SSA funds but SSA. It is understood that the area office has been trying to contact Thomas & Reed, LLC with no success.*

**Answer:** Thomas & Reed, LLC are not auditing SSA funds but rather financial requirements contained within 460 IAC 6 for compliance to providing adequate supporting documentation for disbursements.

460 IAC 6-24-3 indicates that the Representative Payee appointed by the Social Security Administration, as the agent identified as responsible for the finances of the individual, is obligated to follow Indiana Administrative Code. The Representative Payee must comply with the Social Security Guidelines as well as the requirements under IAC 460. A financial review conducted by BQIS is on the behalf of the individual. All funds associated with the individual are reviewed as part of the review. The team has met with a district SSA representative and SSA is in support of the states initiative to review an individual's funds. We are reviewing an individual's income to assure that the individual's monies are being spent for the benefit of the individual under review. This occurs when there is an indication that an individual's funds are alleged to have been misused or mismanaged.

43. **Question:** *The Social Security Administration's guidelines and codes are vague as to what constitutes mismanagement. What guidelines are Thomas & Reed, LLC using in their findings and recommendations? Only pieces of the code are being cited and it appears that a lot of interpretation is being made on their part.*

**Answer:** Thomas & Reed, LLC are not auditing SSA funds but rather financial requirements contained within 460 IAC 6 for compliance to providing adequate supporting documentation for disbursements.

44. **Question:** *Is this Thomas & Reed review a duplication of SSA?*

**Answer:** No. The financial review conducted by Thomas and Reed, LLC on behalf of BQIS is a review based on an incident report alleging fiscal mismanagement of the individual's funds and how they are administered. Thomas & Reed, LLC are not auditing SSA funds but rather financial requirements contained within 460 IAC 6 for compliance to providing adequate supporting documentation for disbursements.

45. **Question:** *At the July 22 INARF meeting, it was mentioned that the check copy fees are the responsibility of the rep payee. Where did this information come from since Social*

*Security says that it is the bank holder/beneficiary's responsibility for the bank fees? SSA just recommends finding the cheapest bank account when possible.*

**Answer:** Non-Sufficient Funds and Overdraft fees that are the result of mismanaged funds are the responsibility of the Representative Payee. In cases resulting in a review of how the agent identified in an individual's ISP as responsible for the finances of the individual handles transactions for the Individual, the cost would be the responsibility of that agent, since our review is based on how the agent is managing the individual's assets in accordance with 460 IAC 6. It is strongly advised that agents identified in an individual's ISP as responsible for the finances of the individual keep copies of checks or use a bank that has on-line check copy retrieval.

## **TRANSPORTATION**

46. **Question:** *Are 24/7 Waiver home clients responsible for paying any transportation expenses if the agency provides a vehicle?*

**Answer:** The individual would NOT be responsible for the costs of non-medical transportation if they receive more than 35 hours of RHS. The RHS provider should provide non-medical transportation for persons in a 24/7 setting. Whether or not the facility owns the van does not impact the Transportation definition or utilization guidelines. Only providers approved to provide Transportation services can bill for it, regardless of who owns the vehicle.

## **UNCOVERED MEDICAL EXPENSES**

47. **Question:** *Is the provider or the client responsible for prescriptions (including over-the-counter items on a prescription form), dental care, and eye care not covered by Medicaid?*

**Answer:** 460 IAC 6-25-1, Provider of health care coordination services, Sec. 1. Coordination of the health care for an individual shall be the responsibility of either of the following:

(1) A provider of health care coordination services.

(2) The provider identified in an individual's ISP as responsible for the health care of the individual.

Medical needs not covered by insurance can be requested on a State Line RLA budget under "Medical-Not Insured", following the appropriate steps outlined in the Guidelines.

48. **Question:** *Many consumers have med co-pays that are higher than the allowable amount of \$21.*

**Answer:** The State Line Budget form currently is set to limit the Medical Not-Insured expense to \$20. This is not a limit on co-pays. Medical Not-insured pays for items prescribed or services provided by a medical professional with whom the individual has a doctor-patient relationship, such as a primary care physician doctor or nurse practitioner. The amount should not exceed \$20.00 a month. If the request exceeds the guidelines, the provider must provide justification and the budget cannot exceed a three-month duration. *The 3 month budget is for anything above the guidelines.*